

~~CONFIDENTIAL~~

Approved For Release 2000/05/16 : CIA-RDP82-00457R000100800003-3

~~CENTRAL INTELLIGENCE GROUP~~

INTELLIGENCE REPORT

~~CONFIDENTIAL~~

DATE:

25X1A2g

INFO. October 1946

DIST. 9 December 1946

PAGES 1

SUPPLEMENT

COUNTRY China

SUBJECT Political Information: News Agency Established by Governor LO Cho-ying, Kwangtung

25X1A6a

ORIGIN [REDACTED]

25X1X6

This document is hereby regraded to CONFIDENTIAL in accordance with the Order of 16 October 1973 from the Director of Central Intelligence to the [REDACTED]

1. On 20 August 1946 following news item appeared in the "Chung Shan Jih Pao": "The Southeast News Agency founded by CHANG Chien-chin and LI Shang-huan has been established in Canton. The purpose of establishment is to report news and maintain liaison between overseas Chinese and the mother country."
2. Following is the background of the formation of the Southeast News Agency: The Kwangtung Shunte Sugar Mill under the management of YEH Kung-wu (葉公武), faithful follower of Governor LO Cho-ying, and appointed manager of the mill by LO (羅卓英) resumed operations about October 1945. Sugar cane is bought by the mill from the farmers at an authorized rate of five and one-half catties of brown sugar in exchange for one picul of sugar cane. But to date, the mill has been paying only five catties of sugar per picul of cane; the remaining half catty is deducted by the mill for "gifts" to high government officials. Thus the term 'kung-li-tang' (公利糖, government gift sugar) came into existence. Governor LO and General CHANG Fa-kuei are said to have received shares of this "gift".
3. About three months ago, the Ta Kuang Pao and several other Chinese newspapers in Canton began to criticize the Shunte Sugar Mill for the deduction of the "kung-li-tang". The mill and some high officials, including Governor LO, paid large sums of money to the papers in order to keep them quiet.
4. Governor LO, feeling that something more should be done to have the newspapers on his side, decided to form his own news agency. Governor LO financed the agency with his share of the "kung-li-tang" from the Shunte Sugar Mill. Hence about 20 August 1946 the Southeast News Agency was established and CHANG Chien-chin (張劍琴), secretary of the Shunte Sugar Mill, was appointed by Governor LO to act as manager of the agency.
5. It began to furnish news items to various papers in the city in the middle of October. Since then there has been no adverse criticism of the Shunte Sugar Mill and Governor LO in the local Canton press.

Document No. 1003
 NO CHANGE in Class.
 DECLASSIFIED
 Class: CHANGER TO: TS S C
 DDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763

CLASSIFICATION CONFIDENTIAL Date 30 MAR 1978 By: OII

ADSO	X	A DEP.	X	FBI	SPDF	VTO		OCL
DADSO		FBK	WARNING NOTICE:	SPDS	DISTRIBUTION LISTING	MUST BE		D
EXEC.		FBI	FBX	SPDT	CFCB			
CONTROL		FBI	EXCISED BEFORE PUBLIC RELEASE OF THIS DOCUMENT					
PLANS	X	FBP	SPDA	RB				

25X1A9a